



FY 2006 Fiscal Checklist

This checklist, revised for FY 2006, is designed to assist reviewers in monitoring the fiscal health of the grantee, any delegate agencies (as applicable), and compliance with federal regulations. The questions within this checklist have been developed around two critical standards, **internal controls** [45 CFR Parts 74.21(b)(3), 92.20(b)(3)] and **governance** [45 CFR Part 1304.50 (g)(2)]. These two standards are emphasized because, together, they help grantees ensure (a) successful and efficient operations of their own programs (and those of their delegates), (b) reliable financial reporting, and (c) compliance with applicable laws and regulations.

For each question in the checklist, a “Yes” or “No” answer is required. Several of

the questions have one or more follow-up questions that are related to the main question. Answer these questions as directed. Responses with red flags immediately below them, serve as signals to the reviewer of a potential fiscal concern, in which case additional follow-up is needed. In the “Documents Reviewed/People Interviewed/Additional Comments” row, please list the following items:

- evidence, in the form of documents gathered and/or reviewed that help to support your conclusions
- individuals interviewed when answering the checklist questions
- any additional remarks that pertain to the question

Taken collectively, the responses and observations that are recorded will help you in assessing if a grantee and/or delegate has not met federal regulations for internal controls and governance (as described above).

WHAT’S NEW FOR FY 2006?

To facilitate the use of source documents, the format of the FY 2006 fiscal checklist has changed. Related questions are grouped together into five sections (Your responses to questions in the first four sections will greatly impact your answers to the two summary standards in Section V.):

Section I, Fiscal Risk Indicators, consists of 12 questions that will help you evaluate the fiscal health of the grantee and/or

¹ For a detailed discussion of these issues see General Accounting Office (1999), Standards for Internal Control in the Federal Government (GAO/AIMD-00-21-3.1), November.

² At the end of these instructions is an example of the type of follow-up documents, questions, and interviews that might be used to gain additional information on a specific question.

delegate. The majority of the questions can be answered by using the last three annual audits for the entity. Responses to all 12 questions should be taken into consideration when evaluating the status of the entity's fiscal health.

Section II, Internal Controls and Monitoring, consists of 18 questions that will help you evaluate the adequacy of internal controls and the involvement of the governing body, staff and parents in monitoring the fiscal management system. As in Section I, all responses to Questions 13 through 19 on internal control measures should be considered when assessing the appropriateness and adequacy of the entity's internal controls. For the remainder of the questions (20 through 30), specific regulation(s) are cited at the end of each question.*

Section III, Fiscal Accountability, consists of 18 questions that will help you evaluate the grantee's accountability in complying with the terms and conditions of the grant, and other applicable Federal regulations. This section includes questions on cost allocation, interfund borrowing, budget management, salaries, non-federal share, etc. Specific regulation(s) are cited at the end of each question.*

Section IV, Reporting, consists of 7 questions that will help you determine if the grantee is meeting the reporting requirements of the grant. Specific regulation(s) are cited at the end of each question.*

Section V, Summary Standards, consists of 2 questions pertaining to internal control and governance. Specific regulation(s) are cited at the end of each question.* Completion and analysis of all the questions from the previous four sections will help you to determine if the grantee and/or delegate is in compliance with federal regulations for the two specified standards.

Note that OMB Circulars A-122, A-87, and A-21 have been codified. The new CFR citation is referenced in this checklist, as well as in the PRISM 2006 Software.

- * *All questions for which standards are listed should be evaluated based on the standards cited. If the evidence gathered thus far suggests that the grantee/delegate is not in compliance with the specified requirement, please place a check in the box under "Potential Area of Noncompliance".*

In answering the questions on this checklist, some of the documents you might find useful to review include:

- current and prior financial statements from the audit report
- most recent financial reports as delivered to the governing bodies
- Policies and Procedures manual(s) covering fiscal operations (e.g., written accounting procedures and procurement procedures)
- detailed general ledger or accounts payable (AP) disbursements journal
- monthly trial balances
- bank reconciliations
- administrative costs documentation
- program budget planning documents (e.g., forms, memorandums, work papers, GABI, and grant proposals)
- chart of accounts
- property inventory and files for recent major purchases
- audit reports and the management letter that accompanies the audit report (including the most recent)
- current and prior year Financial Assistance Award (FAA)
- notice of grant award
- indirect cost agreement and/or cost allocation plan
- lease agreements
- codes of conduct from personnel policies
- organizational chart or list of staff and function of each staff person, including any vacancies
- payroll journal and/or payroll service summary
- most recent SF-269, with supporting documentation
- PMS-272 with supporting documentation from the past four quarters
- insurance policies (e.g., liability, vehicles, child accident)
- interagency agreements
- Non-Federal share documentation, Department of Agriculture (USDA) accounting records and source documents (e.g. meal counts, etc.)
- Vendor contracts
- grantee charter document
- delegate agencies and other partnership contracts as required


***Please note that questions 29, 41, 50, and 51 apply to grantees only, and question 44 is only applicable to private non-profits.*

Footnote 2

As noted in Footnote 2 on the first page of these instructions, below is an example of the additional types of documents, questions and interviews that could be used to follow-up on a red flag answer to Question #2 on the Checklist.

2. Has the grantee borrowed money within the last 12 months?	
<p>Document Review:</p> <p><i>The notes to the financial statements in the current audit:</i></p> <ul style="list-style-type: none"> • How much was borrowed? • Why was it borrowed? • How was the loan secured? • What are the payments and when are they due? • Is the grantee “living on” borrowed funds (i.e., a line of credit)? • Is there a going concern disclosure note? <p><i>Accounting procedures:</i></p> <ul style="list-style-type: none"> • Are there policies and internal controls regarding cash obligations and borrowing funds? • Is there evidence of governing board review, approval and oversight in the decision to borrow money? • Are there policies limiting the amount of debt the agency can incur? <p><i>Loan documents:</i></p> <ul style="list-style-type: none"> • Are they available to be reviewed? • Do they contain all applicable grant provisions such as “assets may have been purchased with grant funds, therefore cannot be sold without the approval of the granting agency”? • Do they appear to be in the best interest of the grantee? • Are they signed and dated? 	<p>Interview:</p> <p><i>Appropriate fiscal officer and CEO: ask to:</i></p> <ul style="list-style-type: none"> • Tell you more about the loan and reasons for it; • Explain (and document) what funding sources are used to repay the loan; • Describe how the loan was secured; • Describe the Board’s oversight of loan process; • See the loan (or tell you who signed the loan); • See the current balance in the agency’s non-restrictive or general fund account; • Explain if the Board is not aware of the current balance; and • Describe any impact on staff, services or programs. <p><i>Governing body members, asking them to:</i></p> <ul style="list-style-type: none"> • Explain when and how the Board became involved with securing the current loan and past loans; • Describe what funding sources have been used to repay the loan; • Describe the Board’s plan for repaying the loan; • Discuss the agency’s current cash balance; • If the agency is living on borrowed funds; and • Describe how the Board monitors the loan and identifies potential risks.

SECTION I - FISCAL RISK INDICATORS


1 **Y**  **N** Is the ratio of current assets to current liabilities less than 1 (i.e., are there insufficient funds to pay debts due within a year)?
[If yes, please answer the question below. If no, go to question 2.]

Y **N** Has the ratio decreased over the past three years?

Documents Reviewed/People Interviewed/Additional Comments

2 **Y**  **N** Has the grantee borrowed money within the last 12 months?

Documents Reviewed/People Interviewed/Additional Comments

3 **Y**  **N** Has the amount of cash reported on the balance sheet (per audit report) decreased over the past three years?

Documents Reviewed/People Interviewed/Additional Comments


4 **Y**  **N** Does the most recent audit contain a disclosure (*see footnote in audit*) regarding cash flow status?

Documents Reviewed/People Interviewed/Additional Comments


SECTION I - FISCAL RISK INDICATORS (CONTINUED)

5 **Y**  **N** Does the most recent audit show any programs with negative operating balances?

Documents Reviewed/People Interviewed/Additional Comments

6 **Y**  **N** Are there large unfunded liabilities (e.g., annual and sick leave accruals, taxes payable, 401(k) payments outstanding; large mortgage or large line – of – credit payments) or recent significant cost increases?

Documents Reviewed/People Interviewed/Additional Comments

7 **Y**  **N** Are the grantee and/or delegate named in pending or recent litigation? Are there pending or current disallowances from any funding source such as USDA, CSBG, or child care? [Obtain this information through interviews with staff.]

Documents Reviewed/People Interviewed/Additional Comments

8 **Y**  **N** Is there any indication the agency may lose one or more major programs and/or funding sources?

Documents Reviewed/People Interviewed/Additional Comments


SECTION I - FISCAL RISK INDICATORS (CONTINUED)

9 **Y**  **N** Have vendor payments been late?

Documents Reviewed/People Interviewed/Additional Comments

10 **Y**  **N** Do bank statements reflect any negative cash balances, overdraft, or finance charges?

Documents Reviewed/People Interviewed/Additional Comments

11 **Y**  **N** Has there been a recent reduction of program staff or services, a shift towards outsourcing, excessive turnover of supervisory staff, or have key personnel quit unexpectedly?

Documents Reviewed/People Interviewed/Additional Comments

12 **Y**  **N** Have positions been vacant for a significant period of time? (i.e., more than 90 days)?

Documents Reviewed/People Interviewed/Additional Comments

SECTION II - INTERNAL CONTROLS AND MONITORING

13 Y **N**  Does the agency maintain a complete and up-to-date list of all employees?

Documents Reviewed/People Interviewed/Additional Comments

14 Y **N**  Are separations/terminations of employment instances immediately reported to the payroll department?

Documents Reviewed/People Interviewed/Additional Comments

15 Y **N**  Are original time records properly prepared and properly approved by supervisors?

Documents Reviewed/People Interviewed/Additional Comments


16 Y **N**  Are payroll records regularly compared with the records of the personnel department?

Documents Reviewed/People Interviewed/Additional Comments

SECTION II - INTERNAL CONTROLS AND MONITORING (CONTINUED)

17 Y **N**  Are there appropriate internal controls for payroll checks distributed to employees?


Documents Reviewed/People Interviewed/Additional Comments

18 Y **N**  Are there specific procedures for maintaining checks and balances for cash management and other fiscal functions? [To assist in answering this question, consider the questions below.]

- Y **N** Are cash and negotiable securities under lock and key, and is access to them strictly controlled?
- Y **N** Are forms such as blank checks and purchase orders sequentially pre-numbered, physically secure, and is access to them strictly controlled?
- Y **N** Are mechanical check signers and signature plates physically protected, and is access to them strictly controlled?
- Y** **N** Is one individual allowed to control all key aspects of a transaction or event?
- Y **N** Are duties assigned systematically to a number of individuals to ensure that effective checks and balances exist?
- Y **N** Does the grantee have internal controls for mail processing, cash receipts, and cash disbursements?
- Y **N** Are all grantee bank statements reconciled on a monthly basis?
- Y **N** Are there safeguards in place for financial data systems in the event of data failure?
- Y **N** Are changes in payroll properly authorized?

Documents Reviewed/People Interviewed/Additional Comments

SECTION II - INTERNAL CONTROLS AND MONITORING (CONTINUED)

- 19 Y **N**  Do the grantee and/or delegate agencies have policies and procedures for the use of credit cards (e.g. require documentation for expenditures, regularly monitor expenditures, and impose other clear spending limits)?

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 20 Y **N**  Does the grantee/delegate have procedures for minimizing the time elapsing between the draw down of funds from the Payment Management System and disbursement of those funds? [45 CFR Parts 74.21(b)(5), 92.20(b)(7)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 21 Y  **N** Have Head Start funds been drawn down in excess of documented cash requirements? [45 CFR Parts 74.22 (b)(2), 92.21 (c)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 22 Y **N**  Has the grantee implemented procedures to determine allowability, allocability, and reasonableness of costs as required? [45 CFR Parts 74.21(b)(6), 92.20(b)(5)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

SECTION II - INTERNAL CONTROLS AND MONITORING (CONTINUED)

23 Y ☒ N ☐ Does the grantee/delegate have a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts? [45 CFR Parts 74.42, 92.36(b)(3)]

Potential Area of
Noncompliance
(✓)

Documents Reviewed/People Interviewed/Additional Comments

24 Y ☒ N ☐ Does the grantee/delegate have written procurement procedures that provide, at a minimum, all requirements specified in the applicable Federal statutes? [45 CFR Parts 74.44(a), 92.36(c)(3)]

Potential Area of
Noncompliance
(✓)

Documents Reviewed/People Interviewed/Additional Comments

25 Y ☒ N ☐ Are any of the procurement transactions conducted in a manner that does not provide for open and free competition? [45 CFR Parts 74.43, 92.36(c)]

Potential Area of
Noncompliance
(✓)

Documents Reviewed/People Interviewed/Additional Comments

26 Y ☒ N ☐ Was the last required annual audit not completed and/or not submitted timely and/or unavailable? [OMB Circular A-133 (Subpart B.220), 45 CFR Parts 1301.12(a), 74.53(b), 92.42)]

Potential Area of
Noncompliance
(✓)


Documents Reviewed/People Interviewed/Additional Comments

SECTION II - INTERNAL CONTROLS AND MONITORING (CONTINUED)27 Y N  Has the grantee corrected previous audit findings? [OMB Circular A-133 (Subpart C.315, Paragraphs (a) & (b))]Potential Area of
Noncompliance
(✓)☐

Documents Reviewed/People Interviewed/Additional Comments

28 Y N  Does the grantee have a qualified fiscal officer? [45 CFR Parts 1304.52(d)(8)]Potential Area of
Noncompliance
(✓)☐

Documents Reviewed/People Interviewed/Additional Comments

29 Y N  [THIS QUESTION APPLIES TO THE GRANTEE ONLY] Has the grantee implemented procedures for programmatic and fiscal monitoring of its own operations and each of its delegates? [45 CFR Part 1304.51(i)(2)]Potential Area of
Noncompliance
(✓)☐

Documents Reviewed/People Interviewed/Additional Comments

30 Y N  Does the grantee regularly compare budgeted costs to actual costs? [45 CFR Parts 74.21(b)(4), 92.20(b)(4)]Potential Area of
Noncompliance
(✓)☐

Documents Reviewed/People Interviewed/Additional Comments

SECTION III - FISCAL ACCOUNTABILITY (QUESTIONS 31-48)

- 31 Y ☒ N ☐ If the grantee has shared costs, has the grantee used an allocation base that best measures the relative degree of benefit for all benefiting functions? [45 CFR Part 92.20(b)(5); 2 CFR Part 230, Appendix A(D)(1)(b); 2 CFR Part 225, Appendix A(C)(3); and 2 CFR Part 220, Appendix A(C)(4)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 32 Y ☒ N ☐ If the grantee and/or delegate charge indirect costs, are those costs supported by a current negotiated indirect cost rate? [2 CFR Part 230, Appendix A(E)(2)(c)&(g); 2 CFR Part 225, Appendix A(H); and 2 CFR Part 220, Appendix A(G)(11)(g)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 33 Y ☒ N ☐ Have Head Start funds been used to cover costs normally paid by other funding streams (i.e., interfund borrowing)? [45 CFR Parts 74.21(b)(3), 74.27(a), 92.22(a)(1)&(2), 92.22(b), 92.41(b)&(c)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 34 Y ☒ N ☐ Did a review of year-end payments disclose any unusual or irregular items (e.g., large purchases of supplies or equipment or pay out of end-of-year “bonuses”)? [2 CFR Part 230, Appendix A(A)(2); 2 CFR Part 220, Appendix A(C)(2); 2 CFR Part 225, Appendix A(C)(1)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

SECTION III - FISCAL ACCOUNTABILITY (CONTINUED)

35 Y N ☒ Did the grantee award COLA/Quality funds in compliance with the terms of its grant application?
[45 CFR Parts 74.21(b)(3), 92.20(b)(3)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

36 Y ☒ N Are any staff being compensated (salary and fringes) at a rate in excess of the Executive Level II (\$162,100 for 2005)?
(Consider gross pay from all funding sources.) [2 CFR Part 220, Appendix A(C)(2), 2 CFR Part 225, Appendix (C)(1)(d)
and 2 CFR Part 230, Appendix A(A)(2)(b)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

37 Y N ☒ Are the wages of staff (including those identified in question 36. above) reasonable and supported by appropriate wage
comparability data? [2 CFR Part 230, Appendix B(8)(c); 2 CFR Part 225, Appendix B(8)(b)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

38 Y N ☒ Has the grantee and/or delegates provided adequate documentation to demonstrate timely payment of employee
benefits (i.e. Federal and state taxes, health and retirement contributions)? [2 CFR Part 230, Appendix A(A)(2)(g); 2 CFR
Part 225, Appendix A(C)(1)(j); and 2 CFR Part 220, Appendix A(A)(2)(e)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

SECTION III - FISCAL ACCOUNTABILITY (CONTINUED)

39 Y ☒ N Have prior year salaries or other prior year costs been charged to the current budget year? [45 CFR Parts 74.28, 92.23(a)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

40 Y ☒ N Are costs for development and administration necessary and of benefit to the program, properly allocated and documented, and not in excess of 15% of total costs unless a waiver has been granted? [45 CFR Parts 1301.32, Select subsections of 45 CFR Part 1301.32 that are appropriate to the circumstance]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

41 Y ☒ N [THIS QUESTION APPLIES TO THE GRANTEE ONLY] Did the use of Federal funds in the grantee's last budget exceed 80% of the total cost without a waiver? [45 CFR Parts 1301.20(a), 1301.21(a)&(b)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

42 Y ☒ N Do the source, use, and accounting of non-federal funds meet the same requirements as Federal funds, and is the accounting of funds supported by proper source documents [45 CFR Parts 74.23, 92.24, Select subsection(s) of 45 CFR Parts 74.23 and/or 92.24 that are appropriate to the circumstance]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

SECTION III - FISCAL ACCOUNTABILITY (CONTINUED)

- 43 Y ☒ N Have the grantee or delegate agencies made changes to the budget that required prior approval before receiving such approval in writing? [45 CFR Parts 74.25, 92.30](Select subsection(s) of 45 CFR Parts 74.25 and/or 92.30 that are appropriate to the circumstance]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 44 Y ☒ N (THIS QUESTION APPLIES TO PRIVATE NON-PROFITS ONLY) Does the grantee fail to have the required insurance coverage? [45 CFR Parts 1301.11, 74.31. (Not applicable for grantees subject to Part 92, who are generally self-insured; select subsections of 45 CFR Part 1301.11 that are appropriate to the circumstance)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

- 45 Y N ☒ Does the grantee meet property management standards for nonexpendable personal property, including conducting a physical inventory every 2 years and having all vehicle titles available? (To assist in answering this question, first consider the questions below.) [45 CFR Parts 74.30, 74.33(a)(1), 74.34(f)(1)-(6), 92.31 - 92.32)]

Y N Is equipment vulnerable to theft, not securely fastened or not protected in some other manner?


Y N Are identification plates and numbers affixed to office furniture and fixtures, equipment, and other portable assets?

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments


SECTION III - FISCAL ACCOUNTABILITY (CONTINUED)

- 46 Y N  If the grantee/delegate has purchased, leased or renovated Head Start facilities using federal funds, is there documentation available to show the facilities transactions were approved, performed in compliance with federal regulations (including compliance with the Davis-Bacon Act), and the Notice of Federal Interest filed? [45 CFR Parts 74.27, 92.22, and 1309]

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments

- 47 Y N  Are delegate agency, child care partnerships and professional services contracts available, signed, dated and inclusive of elements specified in the applicable regulations and cost principles? [45 CFR Part 1301.33; 2 CFR Part 230, Appendix B(37)(b)(8); 2 CFR Part 225, Appendix B(32)(b)(8); and 2 CFR Part 220, Appendix A(J)(37)(b)(8)] [An expired contract does not constitute adequate documentation. If expired, cite appropriate cost circular, 2 CFR Part 230, Appendix A(A)(2)(g); 2 CFR Part 225, Appendix A(C)(1)(j); and 2 CFR Part 220, Appendix A(A)(2)(e)]

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments

- 48 Y N  Have fiscal resources been used to provide sufficient equipment, toys, materials, and furniture to meet the need and facilitate the participation of children and adults? [45 CFR Part 1304.53(b)(1)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

SECTION IV - REPORTING

49 Y N  Are financial reports current and available upon request? [45 CFR Parts 1304.51(h)(1)&(2), 74.21(b)(1)&(2), 74.53(b), 92.20(b)(1)&(2)]

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments

50 Y N  [THIS QUESTION APPLIES TO THE GRANTEE ONLY] Has the grantee submitted timely and accurate SF-269s and PMS-272s [45 CFR Parts 1304.51(h)(2), 74.52(a)(1)&(2), 92.41(b)&(c)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

51 Y N  [THIS QUESTION APPLIES TO THE GRANTEE ONLY] Does the final SF-269 reconcile with the appropriate quarterly PMS-272 for the same period? [45 CFR Parts 74.21(b)(1), 92.20(b)(1)]

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments

52 Y  N Have the grantee and delegate agencies failed to submit timely and accurate IRS 941, IRS 990 and other official reports as required? [45 CFR Part 1304.51(h)(2)]

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments


SECTION IV - REPORTING (CONTINUED)

53 Y **N**  Does the Federal tax information reported agree with other financial reports? (Specifically, is the tax information on the IRS 990 in agreement with the audit report? [45 CFR Parts 74.21(b)(1), 92.20(b)(1)])

Potential Area of
Noncompliance
(✓)

☐


Documents Reviewed/People Interviewed/Additional Comments

54 Y **N**  Has there been a failure to disseminate timely and accurate fiscal information to the management staff, governing body, and policy groups? [45 CFR Parts 1304.51(d)(3), 1304.51(h)(1)]

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments

55 Y **N**  Do the Policy Council and Policy Committee work in partnership with key management staff and the governing body to develop, review, and approve or disapprove all procedures for refunding applications and amendments to refunding applications for Early Head Start and Head Start, including administrative services, prior to the submission of such applications? [45 CFR Parts 1304.50(d)(1)(i)]

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments

SECTION V - SUMMARY STANDARDS

Place a check in the box under the “Potential Area of Noncompliance” heading if the weight of the evidence you collected during the review (this includes the answers to all 55 questions in this checklist) suggests that the grantee/delegate is not in compliance with the specified requirement:

56 **Grantee lacks effective control over and accountability for all grantee and/or delegate funds, property and other assets. [45 CFR Parts 74.21 (b)(3), 92.20 (b)(3)]**

Potential Area of
Noncompliance
(✓)

☐

Documents Reviewed/People Interviewed/Additional Comments

57 **Governing body does not ensure that appropriate internal controls are established and implemented to safeguard funds. [45 CFR Part 1304.50 (g)(2)]**

Potential Area of
Noncompliance
(✓)

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Documents Reviewed/People Interviewed/Additional Comments